

Message Text

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ACTION PM-03

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FM AMEMBASSY ADDIS ABABA

TO SECSTATE WASHDC PRIORITY 1843

INFO USCINCEUR VAIHINGEN GERMANY

C O N F I D E N T I A L ADDIS ABABA 13503

E.O. 11652: GDS

TAGS: MASS, ET, US

SUBJECT: ASSUMPTION BY MAP MATERIEL RECIPIENTS OF PCH AND T COSTS

REF: STATE 241913

1. IN MY VIEW THE CONSIDERATIONS CITED BELOW ARGUE STRONGLY AGAINST THE DISCUSSION WITH EPMG OFFICIALS REQUESTED IN REFTEL.

2. AS DEPARTMENT AWARE, GENERAL AMAN PERSONALLY, AND EPMG GENERALLY, HAVE PRESSED USG HARD FOR MAXIMUM OBTAINABLE GRANT MAP AND FMS CREDIT. THEY HAVE JUSTIFIED THEIR REQUESTS BY POINTING TO ETHIOPIA'S OVERWHELMING SOCIO-ECONOMIC NEEDS AND THE RELATED DIFFICULTIES IN ALLOCATING THE COUNTRY'S LIMITED CASH RESOURCES TO THE PROCUREMENT OF MILITARY END ITEMS. THE RESULT OF THESE REPRESENTATIONS WAS THE RECENT PERSONAL LETTER FROM SECRETARY KISSINGER TO GENERAL AMAN (ADDIS 13258 AND ADDIS 13366 AND PREVIOUS).

3. THE SECRETARY'S REPLY INDICATED THAT \$8,300,000 IN FMS CREDIT HAS NOW BEEN MADE AVAILABLE. ALTHOUGH THIS OFFER REPRESENTED AN ENORMOUS EFFORT ON THE PART OF THE US GOVERNMENT TO BE HELPFUL, IT FELL SHORT OF THE PREVIOUS HOPE EXPRESSED BY THE US GOVERNMENT AND CONVEYED TO THE EPMG THAT UP TO 11 MILLION DOLLARS MIGHT BE AVAILABLE TO THE EPMG IN FISCAL '75 ON AN FMS CREDIT

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BASIS. THE DIFFERENCE BETWEEN THE \$8.3 MILLION AND THE \$11

MILLION WILL CERTAINLY COMPLICATE THE FINANCIAL PROBLEMS FACED BY ETHIOPIA'S ARMED FORCES. AS WE WELL KNOW, THE EPMG MUST NOW SEEK REPLACEMENT FOR MAJOR MILITARY INVENTORY ITEMS THE BLOCK OBSOLESCENCE OF WHICH IT IS CONFRONTED WITH AT A TIME WHEN THE EPMG MUST ALSO FIND RESOURCES WITH WHICH TO MEET THE COUNTRY'S ENORMOUS SOCIAL-ECONOMIC NEEDS. THIS IS ALL THE MORE TRUE SINCE THE SATISFACTION OF THESE NEEDS CONSTITUTES A LARGE PART OF THE MANDATE UNDER WHICH ETHIOPIA'S PEOPLE MAY ALLOW THE PRESENT MILITARY LEADERS TO CONTINUE GOVERNING THE COUNTRY.

4. DESPITE THE DECLINE IN THE FMS CREDIT LEVEL NOW CONTEMPLATED FY FY'75 AND THE PROBLEMS THIS POSES FOR THE EPMG, GENERAL AMAN HAS EXPRESSED HIS APPRECIATION FOR THE SECRETARY'S REPLY AS A CONTRIBUTION TO THE STRENGTHENING OF RELATIONS BETWEEN OUR TWO COUNTRIES. I AM VERY MUCH CONCERNED, HOWEVER, THAT AN ATTEMPT AT THIS TIME TO PLACE THE BURDEN OF PCH AND T COSTS UPON THE EPMG WOULD LARGELY VITIATE THE EFFECT OF THE SECRETARY'S MESSAGE AND WOULD CAUSE GENERAL AMAN AOD THE AFCC TO DOUBT THE SIGNIFICANCE OF THE ASSURANCES CONTAINED IN THE SECRETARY'S LETTER. THE TIMING OF SUCH AN APPROACH WOULD BE SINGULARLY UNFORTUNATE FROM THIS STANDPOINT, ALL THE MORE SO BECAUSE IT IS NOT CLEAR THAT THE EPMG HAS COMPLETED ITS REVIEW OF ETHIOPIA'S PROCUREMENT AND FOREIGN POLICY OPTIONS.

5. IN RECOMMENDING THAT WE EXEMPT ETHIOPIA FROM HAVING TO BEAR THESE COSTS, I ALSO HAVE IN MIND THE EPMG'S NEED TO SPEND FUNDS FOR US MILITARY EQUIPMENT ALREADY PURCHASED, VIZ., M-60 TANKS, M-109 HOWITZERS AND M-113 APC'S. FOLLOW-ON PARTS FOR THIS EQUIPMENT WILL ALSO HAVE TO BE BOUGHT AND ETHIOPIA WILL HAVE TO MEET THE COST FOR THE PURCHASE OF PUBLICATIONS AND TRANSPORTATION THROUGH FREIGHT FORWARDERS FOR THEM. ETHIOPIAN MONEY WILL ALSO BE REQUIRED FOR TRAINING, BOTH IN CONUS AND FOR MTT'S WHICH WILL BE NEEDED IN-COUNTRY. LASTLY, THE DEPARTMENT WILL RECALL THAT WE HAVE ONLY RECENTLY TOLD THE EPMG THAT IT WILL ALSO HAVE TO BEGIN TO FINANCE FROM ETHIOPIAN RESOURCES O&M COSTS FOR GRANT AID VEHICLES AND AIRCRAFT.

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